## ILAB TECHNICAL COOPERATION PROJECT SUMMARY

PROJECT TITLE	Strengthening Unions to Promote Vulnerable Workers' Rights in Peru
REGION / COUNTRY	PERU
PROJECT DURATION	December 2012 – December 2014
FISCAL YEAR & FUNDING LEVEL	Total: \$1,000,000 (FY 2012)

## **OBJECTIVES**

The project's overall goal is to reduce the social and economic exclusion of Peru's most vulnerable workers. Specific objectives include strengthening unions' capacity to organize and effectively represent vulnerable workers in key export-oriented sectors and improving union advocacy for vulnerable workers in labor rights enforcement and policy reform. The project works with the mining, agricultural, and textile/apparel sectors to build and increase the number of democratic, inclusive trade unions.

## **BACKGROUND**

Peru's annual GDP growth has averaged 7 percent in the last five years and is forecast to reach between 5.8 percent and 6 percent in 2012–2013, according to the International Monetary Fund (IMF). Export-oriented sectors have been major engines of this expansion, with exponential growth in non-traditional exports such as agricultural products and textiles, whose value has increased by 450 percent since 2002. In the agricultural sector alone, worker productivity increased by 264 percent from 2000–2010, bringing with it an increase in profit of \$5,333 per worker. In the mining sector, Peru is now Latin America's leading producer of gold, lead, and silver. However, economic growth in Peru's exportdriven sectors has not resulted in better working conditions, equitable distribution of wealth, or increased respect for worker rights. Workers from the fishing, mining, and agriculture sectors comprise 56 percent of the 14 million Peruvians who are still living in poverty. In the agricultural sector, wages have not increased since 2000. The gap between the rich and poor persists as the country's recent growth has not been accompanied by measures to address working conditions, salary disparities, or informal sector workers, particularly in rural areas. This growing economic inequality has led to unrest and instability in the poorer regions in Peru.

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